



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 04-27, Idaho State Income Tax Withholding

Date: September 23, 2004

To: Holders of TAXES (State of Idaho only)
Personnel User Groups
T&A Contact Points in Idaho

Beginning with wages paid for Pay Period 19, the National Finance Center (NFC) will make the following changes to the state of Idaho income tax withholdings:

- The annual exemption amount will increase from \$2,900 to \$3,100.
- The Single and Married tax withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov.

RANDOLPH H. GONZALES, Acting Director
Government Employees Services Division

Idaho State Income Tax Information

State Abbreviation:	ID
State Tax Withholding State Code:	16
Acceptable Exemption Form:	W-4
Basis For Withholding:	State or Federal Exemptions
Acceptable Exemption Data:	S, M / Number of Exemptions
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	If a state income tax certificate has not been processed or if a valid state exemption code is not present, the Federal exemptions will be used in the computation of state tax.

Withholding Formula ►(Effective Pay Period 19, 2004)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \text{►\$3,100◄} \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual Idaho tax withholding.

Tax Withholding Table

Single

If the Amount of Taxable Income Is:		The Amount of Idaho Tax Withholding Should Be:				Of Excess Over:	
Over:	But Not Over:						
\$ ►0	\$ 1,750	\$ 0.00	plus	0.0%	\$	0	
1,750	2,879	0.00	plus	1.6%		1,750	
2,879	4,008	18.00	plus	3.6%		2,879	
4,008	5,137	59.00	plus	4.1%		4,008	
5,137	6,265	105.00	plus	5.1%		5,137	
6,265	7,394	163.00	plus	6.1%		6,265	
7,394	10,216	232.00	plus	7.1%		7,394	
10,216	24,327	432.00	plus	7.4%		10,216	
24,327	and over	1,476.00	plus	7.8%		24,327◄	

Married						
If the Amount of Taxable Income Is:		The Amount of Idaho Tax Withholding Should Be:				
Over:	But Not Over:					Of Excess Over:
\$ 0	\$ 6,600	\$ 0.00	plus	0.0%		\$ 0
6,600	8,858	0.00	plus	1.6%		6,600
8,858	11,116	36.00	plus	3.6%		8,858
11,116	13,374	117.00	plus	4.1%		11,116
13,374	15,630	210.00	plus	5.1%		13,374
15,630	17,888	325.00	plus	6.1%		15,630
17,888	23,532	463.00	plus	7.1%		17,888
23,532	51,754	864.00	plus	7.4%		23,532
51,754	and over	2,952.00	plus	7.8%		51,754

7. Divide the annual Idaho tax withholding by 26 and round to the nearest dollar to obtain the biweekly Idaho tax withholding.